

HOUSE BILL 197

Q7, E4, J1

(PRE-FILED)

6lr0971
CF SB 118

By: **Delegates Mireku–North, Charkoudian, Fair, Feldmark, D. Jones, Kaufman,
Palakovich Carr, Shetty, Solomon, and Young**

Requested: September 25, 2025

Introduced and read first time: January 14, 2026

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Comprehensive Community Safety Funding Act**

3 FOR the purpose of imposing an excise tax on certain gross receipts of certain firearms
4 dealers derived from the sales of firearms, firearm accessories, and ammunition in
5 the State and sales of firearms to residents of the State; and generally relating to a
6 tax on gross receipts derived from sales of firearms, firearm accessories, and
7 ammunition.

8 BY repealing and reenacting, without amendments,
9 Article – Education
10 Section 7–447.1(p)(2)
11 Annotated Code of Maryland
12 (2025 Replacement Volume and 2025 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Education
15 Section 7–447.1(p)(6)
16 Annotated Code of Maryland
17 (2025 Replacement Volume and 2025 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – Health – General
20 Section 19–130(b)(1)
21 Annotated Code of Maryland
22 (2023 Replacement Volume and 2025 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article – Health – General
25 Section 19–130(c)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2023 Replacement Volume and 2025 Supplement)

3 BY repealing and reenacting, without amendments,
4 Article – Public Safety
5 Section 4–902(a), 5–101(a) and (h), and 5–133.1(a)
6 Annotated Code of Maryland
7 (2022 Replacement Volume and 2025 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article – Public Safety
10 Section 4–902(e)(1)
11 Annotated Code of Maryland
12 (2022 Replacement Volume and 2025 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Tax – General
15 Section 1–101(a) and 13–508(b)
16 Annotated Code of Maryland
17 (2022 Replacement Volume and 2025 Supplement)

18 BY adding to
19 Article – Tax – General
20 Section 1–101(h–1); 2–4B–01 and 2–4B–02 to be under the new subtitle “Subtitle 4B.
21 Firearm, Firearm Accessory, and Ammunition Excise Tax Revenue
22 Distribution”; 7.7–101 through 7.7–301 to be under the new title “Title 7.7.
23 Firearm, Firearm Accessory, and Ammunition Excise Tax”; and
24 13–201(4)(xx), 13–825(j), and 13–1001(h)
25 Annotated Code of Maryland
26 (2022 Replacement Volume and 2025 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article – Tax – General
29 Section 2–102(a), 13–201(4)(xviii) and (xix), 13–508(a) and (c), 13–509, and 13–1002
30 Annotated Code of Maryland
31 (2022 Replacement Volume and 2025 Supplement)

32 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
33 That the Laws of Maryland read as follows:

34 **Article – Education**

35 7–447.1.

36 (p) (2) There is a Coordinated Community Supports Partnership Fund.

37 (6) The Fund consists of:

- 1 (i) Money appropriated in the State budget to the Fund;
- 2 (ii) **REVENUE DISTRIBUTED TO THE FUND UNDER § 2-4B-02 OF**
- 3 **THE TAX – GENERAL ARTICLE;**
- 4 (iii) Interest earnings; and
- 5 [(iii)] (iv) Any other money from any other source accepted for the
- 6 benefit of the Fund.

7 **Article – Health – General**

8 19–130.

- 9 (b) (1) There is a Maryland Trauma Physician Services Fund.
- 10 (c) The Fund consists of:
 - 11 (1) Motor vehicle registration surcharges paid into the Fund in accordance
 - 12 with § 13–954(b)(2) of the Transportation Article;
 - 13 (2) At least 20% of the fines collected under § 21–902(a)(1), (b)(2), (c)(2),
 - 14 and (d)(1) of the Transportation Article; [and]
 - 15 (3) **REVENUE DISTRIBUTED TO THE FUND UNDER § 2-4B-02 OF THE**
 - 16 **TAX – GENERAL ARTICLE; AND**
 - 17 (4) Any other money transferred from the General Fund of the State.

18 **Article – Public Safety**

19 4–902.

- 20 (a) There is a Maryland Violence Intervention and Prevention Program Fund.
- 21 (e) (1) The Fund consists of:
 - 22 (i) money appropriated in the State budget to the Fund;
 - 23 (ii) **REVENUE DISTRIBUTED TO THE FUND UNDER § 2-4B-02 OF**
 - 24 **THE TAX – GENERAL ARTICLE;**
 - 25 (iii) investment earnings of the Fund; and

1 [(iii)] (IV) money from any other source accepted for the benefit of
2 the Fund.

3 5–101.

4 (a) In this subtitle the following words have the meanings indicated.

5 (h) (1) “Firearm” means:

6 (i) a weapon that expels, is designed to expel, or may readily be
7 converted to expel a projectile by the action of an explosive;

8 (ii) the frame or receiver of such a weapon; or

9 (iii) an unfinished frame or receiver, as defined in § 5–701 of this title.

10 (2) “Firearm” includes a starter gun.

11 5–133.1.

12 (a) In this section, “ammunition” means a cartridge, shell, or any other device
13 containing explosive or incendiary material designed and intended for use in a firearm.

14 Article – Tax – General

15 1–101.

16 (a) In this article the following words have the meanings indicated.

17 **(H–1) “FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX”**
18 **MEANS THE TAX IMPOSED UNDER TITLE 7.7 OF THIS ARTICLE.**

19 2–102.

20 (a) In addition to the duties set forth elsewhere in this article and in other articles
21 of the Code, the Comptroller shall administer the laws that relate to:

22 (1) the admissions and amusement tax;

23 (2) the boxing and wrestling tax;

24 (3) the digital advertising gross revenues tax;

25 (4) **THE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE**
26 **TAX;**

1 **(5) 4% TO THE MARYLAND TRAUMA PHYSICIAN SERVICES FUND**
2 **ESTABLISHED UNDER § 19–130 OF THE HEALTH – GENERAL ARTICLE; AND**

3 **(6) 4% TO THE R ADAMS COWLEY SHOCK TRAUMA CENTER AT THE**
4 **UNIVERSITY OF MARYLAND MEDICAL SYSTEM.**

5 **(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE REVENUE**
6 **DISTRIBUTED UNDER SUBSECTION (A) OF THIS SECTION SUPPLEMENT, AND NOT**
7 **SUPPLANT, ANY OTHER FUNDING REQUIRED BY LAW.**

8 **TITLE 7.7. FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX.**

9 **SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.**

10 **7.7–101.**

11 **(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
12 **INDICATED.**

13 **(B) “AMMUNITION” HAS THE MEANING STATED IN § 5–133.1 OF THE PUBLIC**
14 **SAFETY ARTICLE.**

15 **(C) “FEDERALLY LICENSED FIREARMS DEALER” MEANS A PERSON**
16 **LICENSED BY THE FEDERAL BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND**
17 **EXPLOSIVES TO DEAL IN FIREARMS.**

18 **(D) “FIREARM” HAS THE MEANING STATED IN § 5–101 OF THE PUBLIC**
19 **SAFETY ARTICLE.**

20 **(E) “FIREARM ACCESSORY” MEANS:**

21 **(1) A MAGAZINE OR MAGAZINE LOADER;**

22 **(2) A FIREARM SCOPE OR OPTIC;**

23 **(3) A STOCK;**

24 **(4) A GRIP;**

25 **(5) A HANDGUARD;**

26 **(6) BULLETPROOF BODY ARMOR AS DEFINED UNDER § 4–106 OF THE**
27 **CRIMINAL LAW ARTICLE; OR**

1 **(7) A FIREARM SILENCER AS DEFINED UNDER § 5-621 OF THE**
2 **CRIMINAL LAW ARTICLE.**

3 **(F) (1) “GROSS RECEIPTS” MEANS THE TOTAL AMOUNT OF THE SALE OR**
4 **LEASE OR RENTAL PRICE OF THE RETAIL SALE BY A PERSON, VALUED IN MONEY,**
5 **WHETHER RECEIVED IN MONEY OR OTHERWISE, WITHOUT ANY DEDUCTION FOR:**

6 **(I) THE COST OF THE PROPERTY SOLD;**

7 **(II) THE COST OF THE MATERIALS USED, LABOR OR SERVICE**
8 **COST, INTEREST PAID, LOSSES, OR ANY OTHER EXPENSE; OR**

9 **(III) THE COST OF TRANSPORTATION OF THE PROPERTY.**

10 **(2) “GROSS RECEIPTS” DOES NOT INCLUDE:**

11 **(I) CASH DISCOUNTS ALLOWED AND TAKEN ON SALES;**

12 **(II) THE SALE PRICE OF PROPERTY RETURNED BY CUSTOMERS**
13 **WHEN THAT AMOUNT IS REFUNDED IN CASH OR CREDIT UNLESS THE CUSTOMER, IN**
14 **ORDER TO OBTAIN THE REFUND, IS REQUIRED TO PURCHASE OTHER PROPERTY AT**
15 **A PRICE GREATER THAN THE AMOUNT CHARGED FOR THE PROPERTY THAT IS**
16 **RETURNED;**

17 **(III) THE PRICE RECEIVED FOR LABOR OR SERVICES USED IN**
18 **INSTALLING OR APPLYING THE PROPERTY SOLD; OR**

19 **(IV) THE AMOUNT OF ANY TAX IMPOSED BY THE UNITED STATES,**
20 **THE STATE, A COUNTY, OR A MUNICIPAL CORPORATION ON OR WITH RESPECT TO**
21 **RETAIL SALES WHETHER IMPOSED ON THE PERSON OR THE CONSUMER.**

22 **(G) “LARGE RETAILER” MEANS A BUSINESS WHOSE RETAIL FACILITY HAS A**
23 **FOOTPRINT OF AT LEAST 20,000 SQUARE FEET.**

24 **(H) “LAW ENFORCEMENT AGENCY” MEANS:**

25 **(1) A STATE, COUNTY, OR MUNICIPAL POLICE DEPARTMENT OR**
26 **AGENCY;**

27 **(2) A SHERIFF’S OFFICE; OR**

28 **(3) A FEDERAL LAW ENFORCEMENT AGENCY.**

1 **(I) “LAW ENFORCEMENT OFFICER” MEANS AN INDIVIDUAL WHO IN AN**
2 **OFFICIAL CAPACITY IS AUTHORIZED BY STATE OR FEDERAL LAW TO MAKE ARRESTS**
3 **AND REQUIRED, AS PART OF THE INDIVIDUAL’S EMPLOYMENT, TO CARRY A**
4 **FIREARM.**

5 **(J) “RETAIL SALE” MEANS A SALE FOR A PURPOSE OTHER THAN RESALE IN**
6 **THE REGULAR COURSE OF BUSINESS.**

7 **7.7-102.**

8 **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION AND**
9 **SUBJECT TO SUBSECTIONS (C) AND (D) OF THIS SECTION, AN EXCISE TAX IS IMPOSED**
10 **ON THE GROSS RECEIPTS OF A FEDERALLY LICENSED FIREARMS DEALER DERIVED**
11 **FROM:**

12 **(1) THE RETAIL SALE OF FIREARMS, FIREARM ACCESSORIES, AND**
13 **AMMUNITION IN THE STATE; AND**

14 **(2) IN THE CASE OF A FEDERALLY LICENSED FIREARMS DEALER THAT**
15 **IS LOCATED OUTSIDE THE STATE, THE RETAIL SALE OF FIREARMS TO RESIDENTS OF**
16 **THE STATE.**

17 **(B) (1) THE TAX IMPOSED UNDER SUBSECTION (A) OF THIS SECTION**
18 **DOES NOT APPLY TO THE SALE OF A FIREARM, A FIREARM ACCESSORY, OR**
19 **AMMUNITION TO:**

20 **(I) A LAW ENFORCEMENT AGENCY;**

21 **(II) THE ARMED FORCES OF THE UNITED STATES;**

22 **(III) THE NATIONAL GUARD; OR**

23 **(IV) A LAW ENFORCEMENT OFFICER.**

24 **(2) THE TAX IMPOSED UNDER SUBSECTION (A) OF THIS SECTION**
25 **DOES NOT APPLY TO THE SALE OF A FIREARM ACCESSORY OR AMMUNITION TO A**
26 **RESIDENT OF THE STATE IF THE SALE:**

27 **(I) IS MADE IN PERSON IN ANOTHER STATE; AND**

28 **(II) IS NOT REQUIRED TO BE PROCESSED THROUGH A**
29 **MARYLAND-BASED FEDERALLY LICENSED FIREARMS DEALER.**

1 **(1) ON OR BEFORE THE 25TH DAY OF THE MONTH THAT FOLLOWS THE**
2 **MONTH IN WHICH THE PERSON SOLD ANY FIREARMS, FIREARM ACCESSORIES, OR**
3 **AMMUNITION WITHIN THE BOUNDARIES OF THE STATE OR, IN THE CASE OF A**
4 **FEDERALLY LICENSED FIREARMS DEALER THAT IS LOCATED OUTSIDE THE STATE,**
5 **SOLD FIREARMS TO RESIDENTS OF THE STATE; AND**

6 **(2) IF THE COMPTROLLER SO SPECIFIES, BY REGULATION, ON OTHER**
7 **DATES FOR EACH MONTH IN WHICH THE LICENSEE DID NOT SELL ANY FIREARMS,**
8 **FIREARM ACCESSORIES, OR AMMUNITION IN THE STATE OR, IN THE CASE OF A**
9 **FEDERALLY LICENSED FIREARMS DEALER THAT IS LOCATED OUTSIDE THE STATE,**
10 **DID NOT SELL ANY FIREARMS TO RESIDENTS OF THE STATE.**

11 **(B) A PERSON REQUIRED TO FILE A RETURN UNDER THIS SECTION SHALL**
12 **FILE WITH THE RETURN AN ATTACHMENT THAT STATES ANY INFORMATION THAT**
13 **THE COMPTROLLER REQUIRES TO DETERMINE THE GROSS RECEIPTS DERIVED**
14 **FROM THE RETAIL SALES OF FIREARMS, FIREARM ACCESSORIES, AND AMMUNITION**
15 **IN THE STATE OR, IN THE CASE OF A FEDERALLY LICENSED FIREARMS DEALER THAT**
16 **IS LOCATED OUTSIDE THE STATE, RETAIL SALES OF FIREARMS TO RESIDENTS OF**
17 **THE STATE.**

18 **7.7-202.**

19 **A PERSON REQUIRED TO FILE A RETURN UNDER § 7.7-201 OF THIS SUBTITLE**
20 **SHALL MAINTAIN RECORDS OF THE FIREARMS, FIREARM ACCESSORIES, AND**
21 **AMMUNITION SOLD IN THE STATE OR, IN THE CASE OF A FEDERALLY LICENSED**
22 **FIREARMS DEALER THAT IS LOCATED OUTSIDE THE STATE, FIREARMS SOLD TO**
23 **RESIDENTS OF THE STATE, AND THE BASIS FOR THE CALCULATION OF THE**
24 **FIREARM, FIREARM ACCESSORIES, AND AMMUNITION EXCISE TAX OWED.**

25 **SUBTITLE 3. TAX PAYMENT.**

26 **7.7-301.**

27 **(A) EACH PERSON REQUIRED TO FILE A RETURN UNDER § 7.7-201 OF THIS**
28 **TITLE SHALL PAY THE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE**
29 **TAX IN THE MANNER THAT THE COMPTROLLER REQUIRES WITH THE RETURN THAT**
30 **COVERS THE PERIOD IN WHICH THE PERSON SOLD FIREARMS, FIREARM**
31 **ACCESSORIES, OR AMMUNITION IN THE STATE OR, IN THE CASE OF A FEDERALLY**
32 **LICENSED FIREARMS DEALER THAT IS LOCATED OUTSIDE THE STATE, SOLD**
33 **FIREARMS TO RESIDENTS OF THE STATE.**

1 **(B) IF A CORPORATION OTHER THAN A NONSTOCK, NONPROFIT**
2 **CORPORATION IS REQUIRED TO PAY THE FIREARM, FIREARM ACCESSORY, AND**
3 **AMMUNITION EXCISE TAX, PERSONAL LIABILITY FOR THE TAX AND INTEREST AND**
4 **PENALTIES ON THE TAX EXTENDS TO ANY OFFICER OF THE CORPORATION WHO**
5 **EXERCISES DIRECT CONTROL OVER ITS FISCAL MANAGEMENT.**

6 **(C) IF A LIMITED LIABILITY COMPANY OR LIMITED LIABILITY**
7 **PARTNERSHIP, INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A LIMITED**
8 **LIABILITY LIMITED PARTNERSHIP, IS REQUIRED TO PAY THE FIREARM, FIREARM**
9 **ACCESSORY, AND AMMUNITION EXCISE TAX, PERSONAL LIABILITY FOR THE TAX AND**
10 **INTEREST AND PENALTIES ON THE TAX EXTENDS TO ANY PERSON WHO EXERCISES**
11 **DIRECT CONTROL OVER THE FISCAL MANAGEMENT OF THE LIMITED LIABILITY**
12 **COMPANY OR LIMITED LIABILITY PARTNERSHIP.**

13 13-201.

14 In this subtitle, “tax information” means:

15 (4) any information contained in:

16 (xviii) a tobacco tax return; [or]

17 (xix) a transportation services assessment return; **OR**

18 **(XX) A FIREARM, FIREARM ACCESSORY, AND AMMUNITION**
19 **EXCISE TAX RETURN.**

20 13-508.

21 (a) Within 30 days after the date on which a notice of assessment of the
22 admissions and amusement tax, alcoholic beverage tax, boxing and wrestling tax, digital
23 advertising gross revenues tax, **FIREARM, FIREARM ACCESSORY, AND AMMUNITION**
24 **EXCISE TAX**, income tax, motor carrier tax, motor fuel tax, public service company
25 franchise tax, financial institution franchise tax, sales and use tax, or tobacco tax is mailed,
26 a person or governmental unit against which the assessment is made may submit to the
27 tax collector:

28 (1) an application for revision of the assessment; or

29 (2) except for the public service company franchise tax, if the assessment
30 is paid, a claim for refund.

31 (b) If a person or governmental unit fails to submit an application for revision or
32 claim for refund within the time allowed in subsection (a) of this section, the assessment
33 becomes final.

1 (c) The Comptroller or an employee of the Comptroller's office expressly
2 designated by the Comptroller promptly:

3 (1) (i) shall hold an informal hearing on a person's or governmental
4 unit's admissions and amusement tax, alcoholic beverage tax, boxing and wrestling tax,
5 digital advertising gross revenues tax, **FIREARM, FIREARM ACCESSORY, AND**
6 **AMMUNITION EXCISE TAX**, income tax, motor carrier tax, motor fuel tax, sales and use
7 tax, or tobacco tax application for revision or claim for refund under subsection (a) of this
8 section; and

9 (ii) after the hearing:

- 10 1. shall act on the application for revision; and
11 2. may assess any additional tax, penalty, and interest due;
12 and

13 (2) shall mail to the person or governmental unit a notice of final
14 determination.

15 13-509.

16 (a) Notwithstanding a person's failure to file a timely application for revision or
17 claim for refund of an assessment of the admissions and amusement tax, alcoholic beverage
18 tax, boxing and wrestling tax, digital advertising gross revenues tax, **FIREARM, FIREARM**
19 **ACCESSORY, AND AMMUNITION EXCISE TAX**, income tax, motor carrier tax, motor fuel
20 tax, sales and use tax, or tobacco tax under § 13-508(a) of this subtitle, the Comptroller or
21 the Comptroller's designee may issue an order decreasing or abating an assessment to
22 correct an erroneous assessment.

23 (b) If action is taken under subsection (a) of this section, the order shall state
24 clearly the reasons for decreasing or abating the assessment.

25 (c) Any order issued by the Comptroller under subsection (a) of this section shall
26 be final and not subject to appeal.

27 (d) The Comptroller's refusal to enter an order under subsection (a) of this section
28 shall be final and not subject to appeal.

29 13-825.

30 **(J) THE COMPTROLLER MAY REQUIRE A PERSON SUBJECT TO THE**
31 **FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX TO POST SECURITY**
32 **FOR THE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX IN THE**
33 **AMOUNT THAT THE COMPTROLLER DETERMINES.**

1 13-1001.

2 **(H) A PERSON WHO IS REQUIRED TO FILE A FIREARM, FIREARM ACCESSORY,**
3 **AND AMMUNITION EXCISE TAX RETURN AND WHO WILLFULLY FAILS TO FILE THE**
4 **RETURN AS REQUIRED UNDER TITLE 7.7 OF THIS ARTICLE IS GUILTY OF A**
5 **MISDEMEANOR AND, ON CONVICTION, IS SUBJECT TO A FINE NOT EXCEEDING \$5,000**
6 **OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH.**

7 13-1002.

8 (a) A person who willfully files a false alcoholic beverage tax return **OR A FALSE**
9 **FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX RETURN** is guilty of
10 perjury and, on conviction, is subject to the penalty for perjury.

11 (b) A person, including an officer of a corporation, who willfully files a false digital
12 advertising gross revenues tax return, a false financial institution franchise tax return, a
13 false public service company franchise tax return, or a false income tax return with the
14 intent to evade the payment of tax due under this article is guilty of perjury and, on
15 conviction, is subject to the penalty for perjury.

16 (c) Subsections (a) and (b) of this section apply to the alcoholic beverage, digital
17 advertising gross revenues, **FIREARM, FIREARM ACCESSORY, AND AMMUNITION**
18 **EXCISE**, financial institution franchise, public service company franchise, and income
19 taxes.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2027.